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Message Text

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64
ORIGIN EB-07

INFO OCT-01 ISO-00 AF-06 ARA-10 EA-09 EUR-12 NEA-10 IO-11

XMB-04 FEA-01 AGR-10 CEA-01 CIAE-00 COME-00 DODE-00

FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01 TRSE-00

USIA-15 PRS-01 SP-02 OMB-01 /157 R

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FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS
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UNCLAS STATE 012368

INFORM ALL CONSULS

E.O. 11652: N/A

TAGS: EGEN, US, XX

SUBJECT: RESTATEMENT OF US COMMODITY POLICY

AT STATE DEPARTMENT NOON PRESS BRIEFING JANUARY 16, DEPARTMENT PRESS SPOKESMAN ISSUED FOLLOWING JOINT STATE/TREASURY PRESS RELEASE OUTLINING US COMMODITY POLICY, WHICH POSTS MAY DRAW ON AS REQUIRED IN RESPONDING TO INQUIRIES ON THIS SUBJECT.

BEGIN TEXT:
WE HAVE BEEN ASKED FOR A RE-STATEMENT OF U.S. COMMODITY POLICY. OUR POLICY, AS SET FORTH IN SECRETARY KISSINGER'S
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STATEMENT AT THE SEVENTH SPECIAL SESSION OF THE UN GENERAL

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ASSEMBLY, IS BASED ON THE FOLLOWING MAIN INTERESTS:
1) WE SEEK ASSURED SUPPLIES AT REASONABLE PRICES. THIS REQUIRES NOT ONLY SUPPLY COMMITMENTS FROM EXPORTING COUNTRIES BUT ADEQUATE INVESTMENT IN NEW PRODUCTION CAPACITY. 2) WE ARE CONCERNED ABOUT EXCESSIVE PRICE FLUCTUATIONS SINCE, ON THE ONE HAND, THIS CAN IMPEDE ADEQUATE INVESTMENT AND, ON THE OTHER HAND, CAN CONTRIBUTE TO SEVERE INFLATIONARY PRESSURES. 3) WE RECOGNIZE THE IMPORTANCE OF COMMODITY EARNINGS TO PRODUCING COUNTRIES AND ESPECIALLY TO DEVELOPING COUNTRIES WHO ARE SIGNIFICANTLY DEPENDENT ON RAW MATERIAL EXPORTS.

FOR THESE REASONS WE HAVE PROPOSED A NUMBER OF MEASURES IN THE COMMODITY FIELD:

1) WE HAVE PROPOSED THAT THE WORLD BANK GROUP, ESPECIALLY THE INTERNATIONAL FINANCE CORPORATION, TAKE THE LEAD IN BRINGING TOGETHER PRIVATE AND PUBLIC CAPITAL AS WELL AS TECHNICAL, MANAGERIAL AND FINANCIAL EXPERTISE TO FINANCE NEW MINERALS DEVELOPMENT.

2) WE ARE SEEKING SUPPLY ACCESS COMMITMENTS IN THE MULTI-LATERAL TRADE NEGOTIATIONS.

3) BECAUSE NO ONE FORMULA WILL APPLY TO ALL COMMODITIES, WE PROPOSE TO DISCUSS NEW ARRANGEMENTS FOR INDIVIDUAL COMMODITIES ON A CASE-BY-CASE BASIS.

4) WE HAVE EXPRESSED OUR INTENTION TO PARTICIPATE ACTIVE-LY IN NEGOTIATIONS FOR NEW COMMODITY AGREEMENTS IN TIN, COCOA, COFFEE AND SUGAR.

-- WE WILL SIGN THE NEW TIN AGREEMENT AND IT WILL BE SUBMITTED TO THE SENATE FOR ADVICE AND CONSENT.

-- WE DO NOT PROPOSE TO SIGN THE NEW INTERNATIONAL COCOA AGREEMENT IN ITS PRESENT FORM. WE CONSIDER THE AGREEMENT TO BE DEFICIENT IN A NUMBER OF RESPECTS AND HAVE SUGGESTED THAT CERTAIN OF ITS PROVISIONS BE RENEGOTIATED. WE ARE AWAITING THE REACTION OF OTHER COUNTRIES.
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-- WE ARE REVIEWING THE NEW INTERNATIONAL COFFEE AGREE-MENT WHICH CONTAINS SUBSTANTIAL IMPROVEMENTS. AN ANALYSIS OF THE NEW AGREEMENT AND A RECOMMENDATION FOR THE PRESIDENT IS BEING PREPARED.

-- NEGOTIATIONS FOR A NEW INTERNATIONAL SUGAR AGREEMENT WILL COMMENCE IN SEPTEMBER OF THIS YEAR.

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5) WE PROPOSED A SUBSTANTIAL IMPROVEMENT IN THE IMF'S COMPENSATORY FINANCE FACILITY. AT THE RECENT IMF MEETING IN JAMAICA A SUBSTANTIAL IMPROVEMENT WAS AGREED UPON TO HELP STABILIZE THE EARNINGS FROM COMMODITY TRADE.

6) WE ARE SUPPORTING IN THE IMF AN IMPROVEMENT OF ITS ARRANGEMENTS FOR FINANCING BUFFER STOCKS.

AS THIS ENUMERATION OF MEASURES DEMONSTRATES,THERE IS NO ONE SINGLE APPROACH TO COMMODITY TRADE PROBLEMS. WE REJECT PRICE FIXING ARRANGEMENTS THAT DISTORT THE MARKET, RESTRICT PRODUCTION AND WASTE RESOURCES. BUT THIS SHOULD NOT BE THE CENTRAL ISSUE. THE MAIN POINT IS THAT WE ARE PREPARED TO CONSIDER MEASURES THAT WILL IMPROVE THE FUNCTIONING OF MARKETS AND WILL DIRECTLY MEET THE PROBLEMS OF RAW MATERIAL PRODUCERS AND CONSUMERS. IN THIS REGARD, WE SEEK THE ESTABLISHMENT OF CONSUMER-PRODUCER FORUMS FOR EACH KEY COMMODITY TO PROMOTE EFFICIENCY, GROWTH AND STABILITY OF PARTICULAR MARKETS. END TEXT. KISSINGER

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TAGS: EGEN, US, XX
To: ALL POSTS BELIZE
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